

**California State Treasurer
Bill Lockyer**

**Inaugural Address
January 8, 2007**

Distinguished speakers and guests, co-workers at the Treasurer's Office, Justice Corrigan, thank you for joining me this morning.

And to my friends, my staff and my family – Nadia, Lisa and Diego – thank you for all the love, support and strength you have given me, and the contributions you have made to my life and to my success.

I'd also like to take a minute to say a few words about my predecessor, Phil Angelides.

I have great respect for Phil, and for the contributions he made to California as Treasurer.

He took an office that had reverted to ministerial status and restored it as an engine for economic growth and improved quality of life in California.

For that, the people of California, and I, owe Phil Angelides a debt of gratitude.

As Treasurer, I intend to build upon and amplify his achievements – and add some of my own.

I'd also like to express my great appreciation to the people of California.

I'm honored that they have given me the opportunity to continue serving them, and our great state.

My friends, today is not about celebrating what we have achieved.

Today is about imagining what we *can* achieve.

I started my career in public service as a teacher. And when you stand in front of a classroom full of children, you stand face-to-face with the future.

That's what every one of this week's inaugural events is about – California's future.

We cannot achieve greatness as a generation unless we build a better future for our kids and their kids – better than the one we have prepared so far.

As we re-imagine and rebuild California for our children, we face great challenges.

Our public works systems and infrastructure were built to serve 25 million people – 12 million less than we now have, and half the number we may have by 2025.

Fortunately, this past November, the voters took a historic step toward meeting our challenge.

They went to the polls and made a \$42.7 billion infrastructure investment in California's future – an investment in new schools, better roads, affordable housing, upgraded parks and water systems, and stronger levees.

Their elected officials now have a duty to maximize, and protect, the people's investment.

As Treasurer, I intend to help make sure that the people's \$42.7 billion will not be spent without strong oversight and accountability.

Controller John Chiang and I will sponsor legislation to create a new state Citizens' Bond Oversight Commission, charged with reviewing and reporting on all of the state's voter-approved bond spending.

Not to decide which projects are worthy – that's the job of the Governor and Legislature – but to provide the people with independent analysis, and ongoing reporting of how those decisions are made and how well they are carried out.

If we are to maximize this historic investment in the future, however, government also needs to apply a bit of wisdom that all of our Moms and Dads hard-wired into our brains:

Money doesn't grow on trees.

For too long, state government has been spending more money each year than our taxpayers have contributed.

And if, as I said here four years ago, “Fate is the vengeance of choices unmade,” then our state’s substantial structural budget deficit is a fate that we in government have inflicted on an undeserving public.

To get the most out of the people’s infrastructure investment, to begin now to improve the state we live in today, and to successfully build our children’s California, we *must* devise an honest, effective plan to quickly and permanently end our year-to-year structural budget deficits.

All the bond rating agencies tell us that for us to get the best deal, what they require more than anything is for California to get its fiscal house in order, and to do it in a lasting, convincing way.

And I will make it a top priority of my office to work with the Governor and Legislature to return to sound fiscal footing by next year.

Now, expanding and strengthening our infrastructure alone will not construct a California where all people share equally in prosperity and opportunity.

As we strive to provide quality health care for every Californian, we confront very real, very significant problems.

And I intend to use every power I have as State Treasurer to ensure that, before I leave this office, every Californian has great health care at a price they can afford – no matter where they work, or whether they can work.

As we compete in the rapidly emerging global economy, we face other challenges – and wonderful opportunity.

In the coming decades, California will be blessed with America's youngest, most diverse workforce.

This will position us, as the workforces of many developed industrial economies grow older, to become a worldwide economic powerhouse.

But to take advantage of the opportunity, we must give our children the education they will need to compete and succeed.

The State Treasurer can make a huge contribution to helping our state meet the physical and fiscal challenges that stand before us.

As California's banker, and as a member of the governing boards of the state's pension funds, the Treasurer helps direct billions of investment dollars.

I will work to put state funds where they will earn the best return for taxpayers, and increase the state's economic stake in its communities, its infrastructure and in the emerging technologies that will keep California at the forefront of innovation in the 21st Century.

On education, I intend to fully deploy the powers of the office to help provide adequate classrooms, attract better teachers and expand college education opportunities for working families.

On health care, I will do all I can to realize the potential of the Treasurer's Office to help expand access, control insurance costs and honor the promise of providing coverage to retirees.

To complete the rebuilding and renewal of California, we need to tap more than the people's wallets and taxpayers' credit cards.

We need to tap our people's greatness.

That greatness lies in our unequaled initiative, innovation, invention, openness and compassion.

These are the qualities that helped us thrive on the frontier and took us to the forefront of our nation.

They are the qualities we must draw on as we strive to keep California a place where families flourish, businesses prosper and the environment thrives.

The State Treasurer's Office will help lead that endeavor.

That's why I wanted the job.

I can't wait to roll up my sleeves and get down to work.

Thank you.

